CANADA – MANITOBA

SUBSIDIARY AGREEMENT ON COMMUNICATIONS AND CULTURAL ENTERPRISES

Canada

MANITOBA

CANADA-MANITOBA

SUBSIDIARY AGREEMENT ON COMMUNICATIONS
AND CULTURAL ENTERPRISES

THIS AGREEMENT made this day of 1984.

BETWEEN THE GOVERNMENT OF CANADA (herein referred to as "Canada") as represented by the Minister of Communications,

OF THE FIRST PART

AND THE GOVERNMENT OF THE PROVINCE OF MANITOBA (herein referred to as "the Province") as represented by the Minister of Culture, Heritage and Recreation, in his capacity as Minister and as the Chairperson of the Economic and Resource Investment Committee of the Executive Council

OF THE SECOND PART

WHEREAS Canada and the Province have entered into the Canada-Manitoba Economic and Regional Development Agreement on January 4, 1984;

AND WHEREAS the Canada-Manitoba Economic and Regional Development Agreement provides, in part, for the entering into of subsidiary agreements for:

i) coordination of existing federal and provincial policies, programs or activities which support the measures to be implemented, including measures for human resource development;

ii) support, including financial assistance not available under other existing government programs;

iii) outlines of the activities and responsibilities of each government with respect to the measures;

iv) the division of cost between each government and the maximum amount thereof to be incurred; and

v) specification of cost-sharing arrangements between Canada and the Province, and the procedure for submission and reimbursement of claims between the Parties, which agreements may provide for advance payment and reimbursement by way of progress claims.

AND WHEREAS the communications and cultural enterprises sectors have been identified by Canada and the Province as important elements of the economy of Manitoba.

AND WHEREAS increased development of communications technology, services, content, and systems, is consistent with the priorities now being undertaken by Canada and the Province relating to broader social and economic development.

AND WHEREAS Canada and the Province agree to promote and strengthen cultural enterprises in Manitoba, thereby improving employment and marketing opportunities and producing tangible economic, cultural and social benefits.

AND WHEREAS Canada and the Province are eager to advance the development of communications and cultural enterprises in Manitoba.

AND WHEREAS the Governor-in-Council by Order-in-Council No. P.C.1984-1/2016 of the 7 day of June, 1984, has authorized the Minister of Communications to enter into this Agreement on behalf of Canada.

AND WHEREAS the Lieutenant Governor-in-Council by Order-in-Council No. 519 of the 2nd day of May, 1984, has authorized the Minister of Culture, Heritage and Recreation, in his capacity as Minister and as the Chairperson of the Economic and Resource Investment Committee of the Executive Council to enter into this Agreement on behalf of Manitoba.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, covenants and agreements herein contained, the parties covenant and agree as follows:

DEFINITIONS

1.1 In this Agreement, unless the context requires otherwise,

(a) "Component" or "Components" means a Component or Components described in Schedules A and B of this Agreement;

(b) "Cost-shared Project" means a Project, as defined below, which is jointly funded by the parties hereto;

(c) "Eligible Cost" or "Eligible Costs" means an Eligible Cost as defined in sections 8.2 and 11.7 of this Agreement;

(d) "ERDA" means the Canada-Manitoba Economic and Regional Development Agreement entered into on January 4, 1984;

(e) "Federal Minister" means the Minister of Communications of Canada and includes anyone authorized to act on his behalf;

(f) "Fiscal Year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;

(g) "Implementing Party" means the party which has the responsibility of delivering a Project as defined below in subsection 1.1(i);

(h) "Ministers" means the Federal Minister and the Provincial Minister;

(i) "Project" or "Projects" means a Project or Projects under Schedules A and B of this Agreement and includes a "Program" or "Programs" under Schedules A and B of this Agreement;

(j) "Province" means the Province of Manitoba;

(k) "Provincial Minister" means the Minister of Culture, Heritage and Recreation, and includes anyone authorized to act on his behalf; and

(l) "Sector" or "Sectors" means a Sector or Sectors described in Schedules A and B of this Agreement.

PURPOSE

2.1 The purpose of this Agreement is to establish a framework for the implementation of measures to be undertaken by Canada and Manitoba in support of communications and cultural enterprises.

OBJECTIVE

3.1 The objectives of this Agreement are to:

a) complement the economic development strategy for Manitoba as outlined in Schedule A of the ERDA;

b) increase employment and income opportunities in Manitoba through the growth and enhancement of communications and cultural enterprises;

c) maximize the social and economic benefits to Manitobans and all Canadians from an increased development of cultural products;

d) foster the creation and increased production of cultural products in Manitoba and to increase access to Manitoba's cultural products by strengthening existing markets, encouraging expansion into new ones and expanding audiences;

e) strengthen the human, managerial, creative, financial, technological and structural resources of communications and cultural enterprises in Manitoba; and

f) stimulate private sector investment in the creation and distribution of Manitoba's communications and cultural products, in addition to existing public sector programs.

IMPLEMENTATION

4.1 To achieve the objectives outlined in section 3.1 above the parties shall undertake and pursue, in accordance with their laws and policies, the Components outlined in Schedules A and B in accordance with the terms and conditions of this Agreement.

4.2 The Federal Minister and the Provincial Minister shall review progress under this Agreement once a year and shall meet as necessary.

MANAGEMENT AND COORDINATION

5.1 A management committee, hereinafter referred to as the "Management Committee" shall be responsible for the general administration and management of this Agreement and its coordination with other federal and provincial programs.

5.2 The Management Committee shall be co-chaired by a representative of the Federal Minister and a representative of the Provincial Minister. Each co-chairperson shall be a voting member of the Management Committee. The Ministers shall each appoint an additional voting member.

5.3 In addition to the members appointed pursuant to section 5.2, two non-voting members shall be appointed to the Management Committee pursuant to section 6.3 of the ERDA.

5.4 The powers, duties, and functions of the Management Committee are:

(a) to approve all procedures in respect of its own meetings, including rules for the conduct of meetings and the making of decisions where the members are not physically present in one place;

(b) to approve guidelines for the application of funding under this Agreement which will accommodate the budgetary cycle of each party;

(c) as soon as is reasonable after the signing of this Agreement, and before each Fiscal Year starting with the year commencing on April 1, 1985 during which this Agreement is in effect, to prepare a work plan for such year identifying the Projects to be carried out, by whom they will be carried out, the date by which the Management Committee anticipates that those Projects will be completed, and the budgeted Eligible Costs to be attributed to each Project;

(d) to approve all Cost-shared Projects and review all Projects which are not cost-shared as well as establish or support the establishment of technical, public information, and other sub-committees, as required;

(e) To submit progress reports to Ministers annually prior to the annual meeting of ERDA Ministers referred to in section 5.1 of the ERDA, or as requested;

(f) to prepare financial statements on a quarterly basis which inter alia reflect project expenditures of previous fiscal years, up-to-date cash flows during the current fiscal year, anticipated cash flows for the balance of the current fiscal year and anticipated cash flows during each remaining fiscal year of the Agreement;

(g) to ensure a full and free flow of information between the Parties, subject to any applicable laws;

(h) to make available to federal and provincial government departments or agencies, as appropriate, information on the results obtained under this Agreement to allow them to identify human, social, and economic development opportunities;

(i) where it identifies significant human resources implications in respect of any Project, to require the development of a human resources plan for that Project;

(j) to ensure the preparation of and to approve a public information plan to serve the information requirements of each party to this Agreement;

(k) to approve information material relating to Cost-shared Projects prior to release under this Agreement;

(l) to ensure that all contracts entered into pursuant to this Agreement incorporate all relevant provisions of this Agreement;

(m) to meet at least twice a year for the purposes of this Agreement;

(n) to adopt such procedures, forms, reports, and guidelines that are not inconsistent with this Agreement as it deems expedient and appropriate to achieve its purposes;

(o) to appoint co-secretaries to assist the Management Committee;

(p) to meet with representatives of federal and provincial departments or agencies or other persons as seems appropriate to facilitate cooperation and public good will in the management of this Agreement;

(q) to carry out any other duties, powers, or functions specified elsewhere in this Agreement or such as may be assigned to the Management Committee by the Ministers jointly to accomplish the objectives of the Agreement;

(r) to authorize the transfer of funds from one Component to another within a Sector under Schedule B;

(s) to add, amend or delete any Project under this Agreement where it considers that the purposes and objectives of this Agreement would be furthered by that addition, amendment or deletion; and

(t) to recommend annually to the Ministers, on or before September 1 of each year, estimates concerning proposed expenditures under this Agreement for the subsequent fiscal year.

5.5 A quorum for all meetings of the Management Committee shall be two voting members of whom one shall be a member appointed by the Federal Minister and one shall be a member appointed by the Provincial Minister.

5.6 Decisions of the Management Committee shall be acted upon only if taken unanimously.

5.7 Any matter with respect to which the Management Committee is not unanimous shall be referred to the Ministers, whose joint decision will be final.

5.8 The Management Committee shall continue to exist and to operate for a period of twenty-four months after the expiration of the term or the termination of this Agreement.

5.9 The Ministers may, jointly, by written agreement, transfer funds between Sectors of this Agreement.

ADMINISTRATION

6.1 The term of this Agreement shall be from xxxxxxxxx, 1984 until March 31, 1989, or such earlier date as may be agreed

to in writing by the Ministers. No Project may be approved after the termination of this Agreement and no costs incurred more than 18 months after termination may be Eligible Costs. No claims made more than two years after termination shall be paid under this Agreement.

6.2 Each Project outlined in Schedule A shall be described in an appropriate Project authorization form which, inter alia, will specify the Implementing Party and provide for the Project name and description, its purpose and objectives, an outline of the way the Project is to be carried out and progress reported, the total cost of the Project and the share of the cost to be borne by each Party. The authorization form shall be prepared by the Implementing Party and submitted to the Management Committee for approval or review, as required.

6.3 The Implementing Party for any Project hereunder shall be responsible for taking such steps as may be necessary to carry out the Project in question. In particular, the Implementing Party may enter into one or more contracts for this purpose, or may utilize its own resources. Nothing herein prevents the Implementing Party for any Project hereunder from arranging with the other party hereto for the delivery of all or part of a Project hereunder which it has the responsibility to implement.

6.4 Existing federal and provincial programs should be utilized where applicable and appropriate to facilitate the implementation of any aspect of this Agreement.

CONTRACT PROCEDURES

7.1 The Implementing Party shall use Canadian goods and services in carrying out any Project hereunder to the full extent to which they are procurable, competitive, and allow for the expeditious carrying out of such Project.

7.2 Unless the Management Committee otherwise agrees, the opening of all tenders for Projects shall be public and the Management Committee shall be supplied with copies of each advertisement for tender, together with notice of the time and place for tender opening, in sufficient time to enable any member of the Management Committee or designated representative to be present.

7.3 Any contract entered into by the Implementing Party with a third party for any Project hereunder shall be awarded and administered in accordance with the administrative, management and contract procedures of such Implementing Party.

7.4 With respect to Cost-shared Projects, the Implementing Party shall on request provide to the other party hereto a copy of the reports, documents, and other materials which the Implementing Party acquires as a result of carrying out its responsibilities under this Agreement.

7.5 Any contract entered into by the Implementing Party for any Project hereunder with a third party shall provide:

(a) that any of the members of the Management Committee or a duly authorized representative shall be permitted to

inspect the subject matter of the aforementioned contract at all reasonable times;

(b) that the third party will respect all applicable labour laws and standards; and

(c) that the third party undertakes either to indemnify or to provide a suitable insurance policy for the benefit of both parties hereto, with respect to all and any claims, demands, losses, damages and costs of any kind based upon any injury to or death of a person or damage to or loss of property arising from any willful or negligent act, omission or delay on the part of such third party or its servants or agents in carrying out such contract.

7.6 An Implementing Party hereunder shall, with regard to any Project implemented by it, indemnify and save harmless the other party hereto, its officers, servants and agents against all claims and demands of any third party arising out of the implementation of such Project except to the extent that claims and demands relate to the acts or negligence of any officer, employee or agent of the other party hereto.

7.7 Any Project hereunder which is not completed on the termination of this Agreement shall continue in force and effect until completion of that Project or until the expiration of a period of eighteen months from the said termination, whichever comes first.

7.8 Upon the completion of any Project hereunder, the Implementing Party or the third party assigned the on-going responsibility for such Project shall take over full responsibility for that Project's operation, maintenance and repair, except in cases where other arrangements between parties hereto specifically apply. Where the ongoing responsibility for the operation, maintenance and repair of any Project hereunder is to be vested in a third party, the contractual arrangements made between the Implementing Party and the said third party shall contain a clause to save Canada and the Province harmless from any claims, demands, actions, and causes of action which may be made against them arising out of the operation, maintenance and repair of any such Project.

7.9 If during the term of this Agreement the Implementing Party for a Cost-Shared Project becomes entitled to receive any income, earnings, or other payment of any kind from a third party as a direct consequence of having undertaken the implementation of the Project under this Agreement, the shareable costs for that Project shall be reduced by an amount equivalent to the amount of such payment unless the Management Committee decides to the contrary.

7.10 Except where otherwise provided for in the Project authorization referred to in section 6.2 hereof, or unless otherwise approved by the Management Committee, should an Implementing Party takes steps which result in:

a) a use of real property or capital equipment acquired under this Agreement which is inconsistent with this Agreement; or

(b) a sale or other disposition of real property or capital equipment acquired under this Agreement to a non-governmental entity; or

(c) a reconveyance to or recovery by the Implementing Party of real property or capital equipment from a third party pursuant to the terms of any prior sale or other disposition to such third party by the Implementing Party;

the Eligible Costs for that Project shall be reduced by an amount to be determined by the Management Committee.

PAYMENT PROCEDURES

8.1 The Implementing Party shall be responsible in the first instance to pay all costs of implementing a Project and shall apply its payment procedures thereto.

8.2 All Eligible Costs for a Cost-shared Project hereinafter referred to as "the Eligible Costs" include reasonable costs incurred by an Implementing Party hereunder that are:

(a) invoiced to a party under a contract made under this Agreement for goods or services;

(b) any other cost which is incurred in the performance of a Project hereunder which is defined and determined by the Management Committee to be an Eligible Cost;

but shall not, except in the case of Component 7 under Schedules A and B, include costs which are

(c) any salary or benefits paid by either party to any of its permanent employees of a government department;

8.3 Unless otherwise approved by the Management Committee, the parties hereto shall fund any Cost-shared Project hereunder in the same proportion as they have agreed to fund the Component outlined in Schedules A and B from which such Cost-shared Project arises.

8.4 The Provincial Department of Finance shall be responsible for financial coordination of Projects implemented by provincial departments and agencies under this Agreement.

8.5 The Implementing Party for a Cost-shared Project hereunder shall be entitled to recover from the other party hereto that other party's share of the Eligible Costs of the said Cost-shared Project which it has incurred and expended.

8.6 Payments by Canada for its share of Cost-shared Projects shall be made promptly to the Province on the basis of Quarterly claims setting out the Eligible Costs actually incurred and paid. Claims shall be submitted by the Province in a form satisfactory to the Ministers and certified by a senior officer of the provincial Department of Finance.

8.7 Payments by the Province for its share of Cost-shared Projects shall be made promptly to Canada on the basis of Quarterly claims setting out the Eligible Costs actually incurred and paid. Claims shall be submitted by Canada in a form satisfactory to the Ministers, certified by a designated officer.

8.8 (a) In order to assist the Implementing Party with the financing of Cost-shared Projects under this Agreement, the other Party may, upon the Implementing Party's request, make interim payments on a quarterly basis, based on estimates of costs expected to be incurred and paid, and certified by a designated officer of the Implementing Party;

(b) The Implementing Party shall account for each quarterly interim payment received under the provisions of subsection 8.8(a), by submitting to the other party, within the first sixty (60) days of the following quarter, a claim for Eligible Costs actually incurred and paid, submitted in a form and verified in a manner satisfactory to the Ministers and certified by a designated officer of the Implementing Party;

(c) Any discrepancy between the amounts paid to the Implementing Party by way of interim payments and the amounts actually payable by the other party shall be promptly adjusted between the parties;

(d) Neither party hereto shall be required to make interim payments in a subsequent Fiscal Year until the interim payments made in the previous Fiscal Year have been liquidated by claims for Eligible Costs actually incurred and paid, certified by a designated officer of the Implementing Party, and any outstanding balance of the payment has been repaid or otherwise accounted for in a manner acceptable to the Ministers.

8.9 Claims for Cost-shared Projects will be processed on the "Gross Accounting" basis where, for the purpose of this Agreement, claims will be paid to the Implementing Party in the full amount as submitted and not "netted" against other claims.

8.10 All claims, interim payments and adjustments between the parties hereto in respect of a Cost-shared Project hereunder will be submitted to the Management Committee for purposes of information.

FINANCIAL PROVISIONS

9.1 Notwithstanding anything in this Agreement, Canada's expenditures in respect of this Agreement shall not exceed $13 million dollars.

9.2 Notwithstanding anything in this Agreement, the Province's expenditures in respect of this Agreement shall not exceed $8 million dollars.

9.3 The financial obligations of Canada hereunder are subject to the express condition that there be an appropriation by the Parliament of Canada for the funds necessary therefor for the Fiscal Year in which any such obligation hereunder would come in course of payment.

9.4 The financial obligations of the Province hereunder are subject to the express condition that there be an appropriation by the Legislative Assembly of Manitoba for the funds necessary therefor for the Fiscal Year in which any such obligation hereunder would come in course of payment.

INSPECTION AND
AUDIT PROCEDURES

10.1 Each of the parties hereto shall ensure that proper and accurate accounts and records are kept and maintained for three years following the termination of this Agreement, with respect to each Project which it is implementing and shall make those accounts and records available to the other party for inspection. Each of the parties hereto may audit the amounts of all claims of the other in respect of any Cost-shared Project hereunder which the other has implemented and the accounts and records related thereto, and any discrepancy between the amounts paid by any of the parties hereto and the amount payable under this Agreement shall be promptly adjusted between the parties.

10.2 Each of the parties hereto will, on request, provide to any member of the Management Committee all available information indicating that a Project hereunder has been undertaken or completed and the costs incurred with respect thereto.

COMMUNICATIONS

11.1 The parties hereto will cooperate in public information activities relating to this Agreement.

11.2 In all public information activities, the parties hereto will be guided by the principle that all interested persons should be kept informed, that the contributions of both parties to the provincial economy through the ERDA process should be fairly acknowledged, and that both parties hereto should have a fair opportunity to participate.

11.3 For Cost-shared Projects hereunder, announcements, official opening ceremonies, release of reports, etc., shall be arranged jointly by the co-chairpersons of the Management Committee.

11.4 Subject to sections 5.4 (j), 11.1 and 11.2, for Projects other than Cost-shared Projects, announcements, release of reports, etc., shall be arranged by the Federal Minister for such Projects implemented by Canada or by the Provincial Minister for such Projects implemented by the Province.

11.5 The Management Committee shall develop a system to disseminate information to the parties and to the public within a reasonable period of time.

11.6 Canada and the Province agree, on the direction of the Management Committee:

(a) to supply, erect and maintain, during the course of construction of a Cost-shared Project of a capital nature, a project sign consistent with federal-provincial identity graphics guidelines, in both official languages. Such sign shall be erected within one month of the commencement of the Project, specifying that the Project is a Canada-Manitoba Communications and Cultural Enterprises Development Project, financed by contributions from the Department of Communications of the government of Canada (and any other federal agency, where relevant) and the

government of the Province of Manitoba, or such other wording to the like effect as may be agreed upon by the Ministers; and

(b) where appropriate, upon completion of each Project, to supply, erect and maintain a permanent sign or plaque to the effect set forth in section 11.6(a).

11.7 Costs pursuant to sections 11.3 and 1.6 are Eligible Costs under this Agreement.

EVALUATION

12.1 The Management Committee shall ensure that a plan is developed for evaluating the Components outlined in Schedules A and B hereto as well as the Projects arising thereunder within six months of the signing of the Agreement.

12.2 Such plan will ensure that, where appropriate, baseline studies, monitoring systems and progress reports are effected and will identify major evaluation issues, the character and timing of data collection, responsibilities for data collection and responsibilities for evaluation activity.

12.3 This Agreement shall be jointly reviewed by the Ministers during the fiscal year commencing April 1, 1987 to consider all aspects of the implementation of this Agreement, including the effectiveness of projects hereunder, for the purpose of considering the realignment of priorities as necessary. Each party hereto shall, prior to September 30, 1988, give notice to the other party hereto of its intention to renew or not to renew this Agreement after March 31, 1989, and shall indicate the length and conditions of any renewal and the proposed level of any additional funding.

12.4 The Management Committee will submit to the Ministers a final and comprehensive evaluation report no later than twelve months after the termination of this Agreement.

GENERAL

13.1 This Agreement may be amended from time to time by the written agreement of the Federal Minister and the Provincial Minister, but no amendment to sections 9.1 and 9.2 shall be made without the approval of the Governor-in-Council and the Lieutenant Governor-in-Council.

13.2 The laws in effect in Manitoba shall apply to this Agreement.

13.3 Subject to section 7.9, all property, including patents, copyrights and other intellectual property and any revenue acquired by Canada or the Province as a result of the work performed under Cost-shared Projects shall be disposed of, licensed or otherwise dealt with as the appropriate Implementing Party may from time to time determine.

13.4 No member of the House of Commons of Canada or the Legislative Assembly of Manitoba shall be admitted to any

share or part of any contract, agreement, or commission made pursuant to this Agreement or to any benefit arising herefrom.

13.5 This document and Schedules A and B hereto form the entire Agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Her Majesty in right of Canada by the Minister of Communications and the Minister of Transport and on behalf of Her Majesty in right of the province of Manitoba by the Minister of Culture, Heritage and Recreation, in his capacity as Minister and as the Chairperson of the Economic Resource and Investment Committee of the Executive Council this day of , 1984.

IN THE PRESENCE OF:

THE GOVERNMENT OF CANADA:

_____
Witness

_____
Minister of Communications

_____
Witness

_____
Minister of Transport

THE GOVERNMENT OF THE PROVINCE OF MANITOBA:

_____
Witness

_____
Minister of Culture, Heritage and Recreation, in his capacity as Minister and as the Chairperson of the Economic and Resource Investment Committee of the Executive Council

SCHEDULE "A"

CANADA-MANITOBA

SUBSIDIARY AGREEMENT ON COMMUNICATIONS
AND CULTURAL ENTERPRISES

A - Background

ERDA Priority

On January 4, 1984, Canada and Manitoba entered into an Economic and Regional Development Agreement (ERDA) which identified the cultural enterprises and communications sectors as key priorities for a subsidiary agreement. These sectors are recognized by both governments as offering major opportunities for employment creation, productivity improvements, and other substantial economic benefits. Encouraging expansion in the communications and cultural enterprises sectors is consistent with the efforts of both Canada and Manitoba to diversify the provincial, regional and national economies, to build on existing strengths, and, where possible, to improve Canada's balance of trade. At the same time, both governments acknowledge the close relationship between economic and social development objectives and the important contribution of strong communications and cultural enterprises to the quality of life in the province.

Current Circumstances

For a number of years, communications and cultural enterprises have played a significant economic and industrial role in Manitoba.

Telecommunications, film and video, broadcasting, sound recording and publishing are particularly important activities in the province. During the 1982/83 fiscal year the Manitoba Telephone System (MTS), which is provincially owned and operated, generated earnings of $3.5 M on operating revenues of $262.3 M and employed some 4,500 persons. Videotex initiatives in Manitoba such as Project Ida, Grassroots and the Elie-St. Eustache fibre optics trial have contributed to economic and technology development in the province. There are presently 1,000 Telidon subscribers in Manitoba representing 20% of the total number of videotex subscribers in Canada. Six page creation companies are located in Manitoba (6% of Canadian capability) preparing information to be put into Telidon data bases. There are 34 computer services establishments in Manitoba employing 575 persons; 49.6% of the services offered are processing-related.

In the area of radio broadcasting, in 1982 Manitoba had a total of 67 stations and rebroadcasters. Of these, 27 were AM and 40 FM; seven were French language, 57 English language, two native language, and one multilanguage. In the area of television broadcasting, there were 65 stations and rebroadcasters in Manitoba in 1982, of which 56 were English language and 9 French language. Manitoba radio and television stations employed about 800 persons in 1982,

Note: All statistics from latest sources available.

earned revenues of $52.9 M and showed a pre-tax profit of $4.2 M There are some 233,000 cable subscribers in Manitoba served by 15 cable companies employing 150 persons. Revenues reported by the industry in 1982 were $16.3 M with pre-tax profits of $6.5 M.

In 1982, a total of over $15 M was expended in Manitoba in the production of films and videos. This figure includes the work of the local CBC, private television stations, cable companies, the NFB, provincial government departments and the independent producers. The past decade has seen the growth of 10-15 Manitoba independent film production companies of which 9 earned $2.5 M in revenue during 1982. Their films are gaining national and international recognition, particularly short and animation pieces. In recent years, many Manitoba film and video productions have received or been nominated for national and international awards. A collection of approximately 60 independent productions and 50 NFB productions of films culturally significant to Manitoba have been produced.

The Manitoba-owned and operated book publishing industry consists of 13 companies, of which 11 published 45 titles in 1982, and had total sales of $339,512. Their collective inventory holds some 260 books. Each year in Manitoba over 120 periodicals are published, including ethnic newspapers, cultural periodicals, religious magazines and academic journals. Over 3,000 issues of Manitoba periodicals are published annually. Among Manitoba cultural periodicals alone, eight surveyed in 1982 distributed a total of 55,704 units, and earned over $113,415 in sales. The Manitoba Writers' Guild has approximately 200 members, engaged in a wide variety of creative writing, while the 70 member Winnipeg Film Group includes a significant number of scriptwriters.

The Manitoba sound recording industry is highly diversified. The province has six record companies, including K-Tel, eight recording studios and several independent artist labels and independent producers. There are also eight record and tape distributors in the province, including the international companies.

B - A Development Opportunity

As noted in the Course of Action signed by Ministers on November 25, 1983, "Manitoba's communications and cultural enterprises represent a potentially exciting area for expansion of employment and income opportunities within the province". ERDA Ministers have recognized that, in an information oriented society, information, culture and communications will become increasingly linked and blended, creating new opportunities for cultural and information products.

The communications, information and cultural enterprises in Manitoba are poised to benefit from the significant opportunities provided by new technologies to reach larger audiences and improved productivity. Also, the growth of small but economically viable markets for differentiated products provides Manitobans the opportunity to find a number of strategic "niches" in domestic and international

markets. Manitoba must respond to the challenge to attract industries and individuals to the Province by further developing communications and cultural infrastructures which will increase productivity and improve the quality of life.

The opportunities for innovative development in the communications and information technology industries are supported by a strong base and notable successes. Manitoba leads in viable videotex services, such as Infomart's Grassroots, and Genesis Research Inc's "Genesis Story Time". Thus, it is well positioned to develop the domestic market, and to take advantage of the expected strong international market, in particular, in the United States. This is expected to develop due in large measure to the availability of low cost videotex "chips" which will bring videotex within a mass market price range. The record of the Manitoba Telephone System in stimulating innovative communications applications in the province is also a factor. Its special tariff for videotex helped to make Grassroots viable. It has supported innovative developments, such as the integrated voice, data and video system for the Ida field trial, which can also be configured for the lucrative Local Area Network market, and is working with the Faculty of Medicine in health care communications. This active participation by an organization with a strong communications and electronics knowledge base should continue to have a positive impact on the Manitoba electronics industry.

Manitoba's cultural enterprises also offer considerable potential for growth, with a very bright forecast. For example, increased demand for film and video production in Manitoba is possible. This potential has increased with a number of recent developments: the announcement of a new federal policy for broadcasting, and in particular, the establishment of the Canadian Broadcasting Development Fund*; the CBC policy, with its emphasis on regional production, and the greater use of independent producers; the various international Co-production Agreements; the development of pay television; the enhancement of Canadian content requirements by the CRTC; increases in the number of television signals available, and the rapid expansion of the videocassette market for films. Similar opportunities exist in Manitoba's publishing and sound recording industries.

C - The Development Strategy

To exploit this development opportunity, the strategy under this agreement will be achieved through:

* In this regard, the Memorandum of Understanding Concerning the Establishment of the Canadian Broadcast Program Development Fund, signed on February 21, 1983 by the Federal Minister of Communications and the Canadian Film Development Corporation, states that "The CFDC shall take appropriate measures to identify provincial and regional interests in the development of Canada's program production industry, and seek an appropriate balance in its investments so as to foster program production in all regions of Canada."

i) improving the INFRASTRUCTURE related to production, distribution and consumption as required to meet the development needs of the province's communications and cultural enterprises sector;

ii) strengthening the PRODUCTIVITY of human, managerial, and technological resources of the sector;

iii) stimulating private sector INVESTMENT in the creation and distribution of Manitoba's communications and cultural products; and

iv) fostering the creation and increased production of cultural products in Manitoba and increasing access to these products by accelerating MARKETING efforts, to strengthen existing markets and encourage expansion into new ones.

D - Communications and Cultural Enterprises Initiatives

To implement the Development Strategy outlined above, the Parties have agreed to undertake the following initiatives.

Sector A: Communications/Information Technologies

Component 1. Technology Applications

This Component will be implemented and entirely funded by Canada, with complementary initiatives being undertaken by Manitoba. The objective of this Component is to further the economic development of the province of Manitoba through the development and implementation of specific applications projects in communications and information technologies. The projects should satisfy communications and information needs and opportunities in Manitoba, and should result in marketable skills and products. It is anticipated that initiatives will be considered particularly in the following areas: development of a local area network based on the highly successful technology demonstrated in the Manitoba Telephone System's Ida Field Trial, for application and demonstration in the North-of-Portage core development area; electronic publishing based on the Telidon content development capability in the Province; medical diagnostic data transmission field trials, particularly for x-rays for which advanced know-how exists in the Province; and educational courseware development, in both official languages, for which there is a rapidly growing demand. All of these have the potential for developing new or strengthening existing industries in the province, with significant growth in high quality jobs.

Of relevance to this Component is the Government of Manitoba's recent announcement to implement an Information Technology Program through the Manitoba Jobs Fund and Manitoba Industry, Trade and Technology. Wherever appropriate, these measures implemented by the Government of Canada under this Sector of the Agreement will be coordinated with the provincial Information Technology Program initiative.

Sector B: Cultural Enterprises Infrastructure Development

Priority attention is to be placed on the provision of an adequate infrastructure, including both physical

requirements and human resource development, that will meet the current and long-term needs of Manitoba's communications and cultural enterprises.

Component 2. Advisory Committee on Film, Video and Audio Production Capability, and Skills Development Facilities/Activities

This Component will be jointly implemented and jointly funded by Canada and Manitoba.

A Committee will be established to examine how public film, video and audio production capabilities could be integrated with the requirements of the private and independent producers. The Committee will advise on the film, video and audio development opportunities in Manitoba, on infrastructure options including the relationship of any proposed new or improved infrastructure to the existing infrastructure, and on the existing and future human resource development and training needs.

The Committee will consist of seven members; three Committee members will be appointed by Canada and three will be appointed by Manitoba. The chairperson will be jointly appointed by Canada and Manitoba. Terms of reference for the Committee are attached as Annex A to this Schedule, and may be amended by agreement of the Parties.

Component 3. Film, Video and Audio Production Capability

This component will be implemented by Canada and funded by Canada and Manitoba.

* The objective of this component is to allow Manitoba industry to benefit from increased film, video and audio production opportunities. It will encourage the improvement of production capability by providing a financial contribution towards the costs required to foster increased activity by private and independent producers and the public broadcasters. Such capability would contribute to the viability of this promising sector and allow for the increased production of quality products. In order to maximize the utilization of any production facilities, measures should be taken to ensure a close working relationship with the proposed skills development initiatives. Appropriate access to space, equipment and technical resources in existing and any proposed production facilities is a key element in this component.

Consideration will be given to the production needs of Native people in developing this component.

Component 4. Skills Development Facilities/Activities

This component will be implemented by Canada and funded by Canada and Manitoba.

Priority attention is to be given to the development of the skills required by workers in Manitoba's film, video and

audio industries in order to achieve productivity gains, increase production, and enhance quality and commercial viability.*

Component 5. Ethnocultural Communications Centre

This component will be jointly funded and jointly implemented by Canada and Manitoba.

This proposal responds to opportunities respecting the communications needs of ethnocultural groups dispersed throughout the country. It is proposed that a national news bureau be established in Manitoba to gather and disseminate news of interest to ethnocultural communities.

This service would operate much like a media wire-service and would utilize state of the art technology.

This Component will support the acquisition of this technology and of required office space which can be utilized under cooperative arrangements by the ethnocultural groups based in Manitoba.

Sector C: Cultural Enterprises Program Development

Component 6. Cultural Enterprises Development

This Component will be implemented by Manitoba and funded by Manitoba.

a) Production Support Program

Manitoba cultural industries are entering a transitional stage of development. Selective support mechanisms are necessary at various stages in the development of cultural products from the initial concept, through the writing or composing stage, to the completion of production as a film, video, book, periodical, radio item or record. In order for cultural enterprises to take advantage of opportunities at these stages, increased capitalization, and flexibility in acquiring capital are needed. These mechanisms may take different forms, depending on the specific nature of the industry problem, and may include loan guarantees, grants, bridge financing, equity investment, interest rate relief and support for introduction of new technologies.

b) Human Resource Support Program

The existence of a strong, appropriately skilled Manitoba human resource base is essential to a creative, dynamic, and viable Manitoba cultural

* CEIC will support the cultural and communications activities generated under this Agreement through the use of all its applicable programs and services. The specific programs and services and the levels of support will be determined on an annual basis through discussions with the Management Committee as specific initiatives are identified.

industry. Currently in the Province, there do not exist sufficient skill development opportunities for cultural workers. Nor are there sufficient opportunities within the province to provide cultural workers with the advanced professional skills, (particularly in business and technological knowledge), which are necessary to participate and successfully compete in Canada's market environment. Proposals under this component seek to address these crucial elements of concern, and may include apprenticeships, scholarships, bursaries and subsidized wages. In the area of professional development initiatives, efforts will be made to enhance expertise in accounting, marketing and distribution and electronic technologies.

c) Market Access and Distribution Program

The creation and production of cultural products will be greatly enhanced by special emphasis on marketing, distribution and audience development. This Program is designed to provide necessary assistance to cultural enterprises in order to stimulate, and where appropriate, expand markets and audiences for Manitoba cultural products. Such assistance will, in the long term, reduce the reliance of cultural enterprises on public subsidies.

In support of these Programs, Telefilm Canada's resources will be available to individuals and companies who meet Telefilm's criteria. Telefilm Canada can play a lead role in promotion and marketing assistance and production support, including script development. Writers, independent producers and small production companies will be encouraged to avail themselves of Telefilm Canada's resources. It is anticipated that measures under this Component will help the private sector in Manitoba qualify for approximately $2 M of financial assistance from Telefilm Canada per year. These Telefilm Canada expenditures will be in addition to the total Federal funding of $13 M under this Agreement.

Sector D: Management, Public Information, Evaluation

This Sector would provide for the overall management of this Agreement, as well as public information and the evaluation of the effectiveness of this Agreement.

Component 7. Management

The Management Committee will be responsible for the administration of this Agreement, which will entail the development and maintenance of a suitable record and information system, the management of the contract work load and the necessary financial management. Generally, program administration activities will be undertaken separately by Canada and Manitoba.

Component 8. Public Information

The primary objective of this Component will be to inform the public regarding the Objectives, the Strategy, Programs

and Projects of this Agreement. Both general and specific information about Agreement Programs will be prepared in consultation and disseminated in order to inform the general public and to encourage the private sector to take advantage of the opportunities created by this Agreement.

Component 9. Evaluation

The Sectors, Components and Projects will be evaluated in terms of the objectives of this Agreement.

Annex A
to Schedule A

Component 2: Advisory Committee on Film, Video and Audio Production Capability, and Skills Development Facilities/Activities

Terms of Reference

Given the context of rapid technological change, given the need to stimulate the development of Canadian content that can achieve a share of the domestic and international markets, and given the linguistic and cultural diversity of Canada and Manitoba, the committee will advise the Ministers in coordination with the Management Committee on:

1. the film, video and audio opportunities open to Manitoba industry;

2. options for improved film, video and audio capacity in Manitoba including the relationship of any proposed new or improved infrastructure to the existing infrastructure;

3. on the existing and future human resource development and training needs of the film, video and audio industry taking into account the Carr Report, and in particular, the possibility of cooperation with the University of Winnipeg;

4. on a concept plan (or plans) within the framework and resources set out in Sector B, Components 3 and 4 of Schedules A and B of the Communications and Cultural Enterprises Subsidiary Agreement which could integrate the requirements of the private and independent producers as well as those of the public producers.

The Committee shall make its final report within a year.

SCHEDULE "B"

CANADA-MANITOBA
SUBSIDIARY AGREEMENT ON COMMUNICATIONS
AND CULTURAL ENTERPRISES

SUMMARY OF ESTIMATED COSTS 1984-89
($000s) CURRENT DOLLARS

	Federal Share	Provincial Share	Total 5 years
Sector A: Communications/Information Technologies			
Component 1. Technology Applications Projects	$5,950	***	$5,950
Sector B: Cultural Enterprises Infrastructure Development			
Component 2. Advisory Committee on Film, Video and Audio Production Capability and Skills Development Facilities/Activities	200	200	400
Component 3. Film, Video and Audio Production Capability	3,925	600	4,525
Component 4. Skills Development Facilities/Activities	2,050*	300	2,350
Component 5. Ethnocultural Communications Centre	250	250	500
Sector C: Cultural Enterprises Program Development			
Component 6. Cultural Enterprises Development	**	6,075	6,075
Sector D: Management, Public Information, Evaluation			
Component 7. Management	400	400	800
Component 8. Public information	125	75	200
Component 9. Evaluation	100	100	200
	$13,000	$8,000	$21,000

* CEIC will support the cultural and communications activities generated under this Agreement through the use of all its applicable programs and services. The specific programs and services and the levels of support will be determined on an annual basis through discussions with the Management Committee as specific initiatives are identified.

** Producers who meet the criteria will have access to financial assistance from the Canadian Film Development Corporation (Telefilm Canada). (It is anticipated that measures under this Component will help the private sector in Manitoba qualify for approximately $2M of this assistance per year. This is additional to the $13 M Federal share as listed above.)

*** The Government of Manitoba has announced plans to implement an Information Technology Program through the Manitoba Jobs Fund and Manitoba Industry, Trade and Technology. Wherever appropriate, these measures implemented by the Government of Canada under Sector A of this Agreement will be coordinated with the provincial Information Technology Program initiative.